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BUSH ADMINISTRATION ANNOUNCES PUSH TO CREATE RURAL JOBS

WASHINGTON, June 16, 2004 – Agriculture Secretary Ann M. Veneman and Small Business Administration Administrator Hector V. Barreto announced this month an Administration effort to stimulate rural business development and jobs by providing greater access to venture capital investment funds. The SBA, on behalf of USDA, will enable venture capital companies to offer access to capital to rural enterprises under a newly created business and jobs initiative called the Rural Business Investment Program (RBIP).

“This new initiative supports President Bush’s efforts to build a strong foundation for business development and job growth to serve as economic stimulus in rural areas,” Veneman said. “This capital will help to create or expand rural business ventures needed for a strong rural economy and job opportunities.”

“The RBIP program will help to create an environment in which small rural businesses can grow and create jobs,” Barreto said. “President Bush’s leadership on this important issue will make a real difference in the lives of small businesses in rural areas.”

USDA and SBA published in the Federal Register, guidelines for making application to the new program. In general, with funding provided by USDA, the RBIP will allow newly formed venture capital investment companies to leverage private capital funds with government financial assistance and to obtain government grant resources for technical assistance. The RBIP will increase the amount of capital available for investment in rural American businesses, and will provide a new resource for technical assistance to such businesses.

Created by the 2002 Farm Bill, RBIP will license Rural Business Investment Companies (RBICs) to support up to \$60 million in guaranteed RBIC debentures based on the Bush Administration’s Fiscal Year 2005 budget. The Rural Business Investment Program augments investments already being made in rural areas. By licensing qualified management teams and structuring the RBIP appropriately, this new program can contribute significantly to the federal government’s efforts to encourage private risk-taking and investment in rural America.